BRITISH COLUMBIA

BC STATS Infoline

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highlights

a weekly digest of recently released British Columbia statistics

Prices

- **The Consumer Price Index for British Columbia rose 0.4% in June, tying with Alberta, Manitoba and PEI and only slightly above Saskatchewan, the province with the lowest increase (+0.3%).** Newfoundland had the highest monthly increase at 1.0%, followed by Quebec (+0.9%) and Ontario and New Brunswick (+0.7%). The Canadian increase was 0.6%.

  Comparing prices levels to a year ago, BC remained the province with the lowest annual inflation at 1.5%. Highest inflation was felt in Prince Edward Island at 4.8%, Nova Scotia at 3.8% and New Brunswick at 3.7%.

  On an annual basis energy prices remained the largest contributor to inflation across the country. Canada-wide, prices of energy products rose 19.3%, while in BC they were up 15.6%. Home heating oil prices, however, remained unchanged from last month both nationally and in BC. The natural gas price in BC had been unchanged for several months, although the Canadian index for gas showed an increase of 4.3% in June. Gasoline prices continued to rise, up 6.3% across Canada and 3.5% in BC for the month.

  Metropolitan Vancouver and Victoria both saw inflation rise 0.4% in June, with annual increases of 1.9% and 1.5% respectively. These were the lowest annual increases among the cities in Canada. The highest annual inflation was recorded in Charlottetown at 4.2% and Calgary at 3.7%. *Source: Statistics Canada*

Tourism

- **Overseas visits to British Columbia increased 8% between 1998 and 1999 to 1,389,000, accounting for almost a quarter (24%) of overseas visits to Canada.** The two largest overseas markets, Japan and the UK, each were responsible for 18% of overseas visits to the province in 1999. UK visitors increased by 9% while Japanese visits were up 6%. At 129,000, visitors from Germany accounted for 9% of the market but showed virtually no increase from 1998 (+1%). Visitors from Taiwan reached 107,000, up 21% while Hong Kong visitors, at 67,000, had dropped by 29%. Australian visits continued to grow, up 18% in the year, to 96,000. The largest increase was in Mexican visitors, numbering 42,000, up by 49%.

  Business and visiting family or friends were reasons given less frequently by overseas visitors for coming to BC than to any other province. Vacationing attracted the largest proportion of travellers. *Source: SC, Cat. 87-003-XIB*

- **US overnight visitors to BC reached 3.6 million in 1999, up 2% from 1998.** Total US visits to Canada were up 1% with the Atlantic provinces up 9% and Quebec 6%; Ontario and the Prairie provinces had declines of 1% and 5% respectively. At 1.5 million, Washington state visitors increased 5% over the previous year. British Columbia captured 22% of the US overnight market, second after Ontario with 47%.
  Source: SC, Cat. 87-003-XIB

- **Restaurant receipts in BC were up 7.2% in May over a year ago, continuing the positive trend of the previous three months.** Caterers did particularly well with receipts up 21.7%, followed by drinking places with an 11.0% increase and full service restaurants with a 9.6% increase. Full-service restaurants and drinking places, however, are still not back to 1998 levels. Limited service restaurant sales rose only 2.2% over the

Report **1990s saw new markets & products for BC exports**

Did you know...

In 1989, 16% of Canada's electric power was nuclear generated. By 1999, that had fallen to 12%. Only Ontario, Quebec and New Brunswick generate nuclear power.

May 1999 level, but sales were above the 1998 level. *Source: Statistics Canada*

Transportation

- **New motor vehicle sales in British Columbia and the Territories declined in May by 1.2% (*seasonally adjusted*), less than half the decline felt across Canada (-2.7%).** The largest decline was in Newfoundland (-17.6%) followed by Nova Scotia (-11.3%) and Alberta (-6.3%). However, in the first five months, new vehicle sales grew 9.4% (*unadjusted*) over the same time last year with an increased value of 13.9%. Sales of overseas manufactured cars led the increase at 20.8% followed by domestic cars at 11.2%. Sales of commercial vehicles, trucks and SUVs rose 6.2%. *Source: Statistics Canada*

- **Vancouver is Canada's busiest port, handling 54 million tonnes of cargo in the first 9 months of 1999.** International tonnage accounted for 98% of the total. Saint John was in second place with 15 million tonnes. The Fraser River and Prince Rupert were in 12th and 13th place among Canada's top ports, and Howe Sound and the North Arm of the Fraser stood in 18th and 20th place. BC's top ports handled 27% of Canadian shipping. *Source: SC, Cat. 50-002-XIB*

- **Airline passenger traffic at Victoria International Airport has been down every month for the past twelve months, when compared with the same month a year ago.** The second quarter 2000 showed some improvement (-4.3% over second quarter 1999) compared with the first quarter (-10.5%). Overall, the first six months were 7.3% below last year's level. *Source: Victoria Airport Authority*

Construction

- **Preliminary figures on BC housing starts in the second quarter 2000, showed an increase of 7.5% (*seasonally adjusted at annual rates*), although the month of June was 8.2% below May's level.** Across Canada the second quarter was down 10.0% and June down 1.8%. *Source: CMHC*

- **Urban BC saw 1,102 units (unadjusted) start in June, down 5.7% from June 1999.** Metropolitan Vancouver had an increase of 4.2% with the increase in multiples (+27.9%) offsetting the decline in single family dwellings (-15.2%). *Source: CMHC*

- **The New House Price Indexes for both Vancouver and Victoria declined 0.1% in May.** St. John's had the largest increase at 1.0%, followed by Montreal and Kitchener-Waterloo at 0.6%, and Edmonton, Calgary and Ottawa-Hull with 0.5%. *Source: Statistics Canada*

- **Housing sales through the Victoria Multiple Listing Service were 511 units in June compared with 596 in June 1999.** In the first six months, sales are 7% below last year. Of June sales, 64% of single family houses went for under $240,000, 77% of condominiums for less than $160,000 and 55% of townhomes and strata duplexes for under $190,000. *Source: Victoria Real Estate Board*

Health

- **At the end of 1998, there were 1,346 British Columbians on dialysis.** At a rate of 335.1 per million population, BC had the lowest rate among the provinces. The highest rate was in Manitoba with 625.5 per million. The rate of new dialysis patients in Canada increased 6.0% a year from 1981 to 1998, with the rate for persons 75 and older growing by 12.5% a year. Diabetes is the most common primary diagnosis among patients on dialysis. The increased rates are attributed in part to the shortage of donated organs for transplants. *Source: Canadian Institute for H0ealth Information*

Justice

- **In 1998-99, 50,738 legal aid applications were approved in British Columbia, down 27.7% from five years earlier.** Fifty-five percent of the cases involved criminal matters, with the balance being civil matters. *Source: SC, Cat. 85F0028XIE*

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For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.

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Infoline Report:

1990s brought new markets and new products for BC Exports

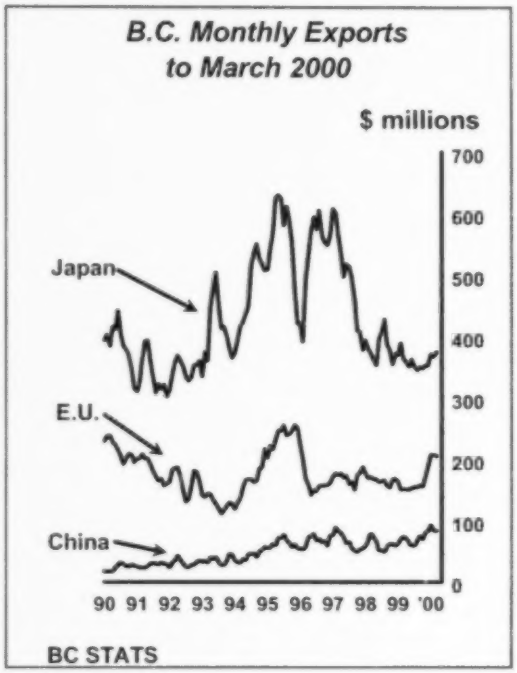
Contact: George Dufour / (250) 387-0376

Originally published in March 2000 issue, *Exports*. Annual subscription: $60 + GST

After all the economic changes and upsets of the 1990s, at least two long term trends still hold true for British Columbia exports. Trade with Asia is growing. And the value-added component of exports is expanding, particularly for exports shipped to the United States.

The fastest growing international market for British Columbia was China. British Columbia exports to China (including Hong Kong) grew at an average annual rate of 14 per cent between 1990 and 1999, twice the 7 per cent rate of growth for overall exports.

Not all Asian markets grew over the decade. British Columbia's exports to Japan averaged zero per cent growth between 1990 and 1999. If trends of the 1990s continue through the present decade, Japan may be replaced by China as the second most important export destination for British Columbia products after the United States. Weak demand from Japan through the 1990s has already contributed to a reversal of the pre-1990s trend to less reliance on the United States market.



The other main reason for this reversal was that there were unusually strong export gains in the United States market during the 1990s. It is hardly surprising that exports to the United States should have grown extraordinarily quickly during a decade that included a booming U.S. economy, the creation of NAFTA, and a sharp decline in the value of the Canadian dollar against the U.S. currency.

Exports to the United States grew at an average annual rate of 12 per cent, outstripping shipments to all major destinations except China. With the U.S. market the destination for 67 per cent by value of all British Columbia exports in 1999, gains in the U.S. market produced a far greater impact on British Columbia's economic growth than all other international trade factors combined. Although exports to China have been rising very quickly, they still amounted to only 3 per cent of total exports in 1999.

Although NAFTA has undoubtedly done a great deal to encourage British Columbia exports to the United States, it has so far done little to boost exports to Mexico, the other North American trading partner. The $41 million shipped to Mexico in 1999 was actually less than the amount shipped in 1995, the year in which continental free trade was first expanded to include Mexico. It amounted to just 0.1 per cent of British Columbia's total 1999 exports.

Average annual exports to the European Union fell one per cent between 1990 and 1999. This reflected the loss of some of British Columbia's traditional resource commodity markets in Europe to suppliers in South America, the former Soviet Bloc, or within the European Union itself.

While competition in international resource commodity markets brought down the total value

of British Columbia products shipped to Europe over the 1990s, there was some improvement in the value of value-added products shipped to that market.

Electrical and electronic goods shipped to the European Union rose at an average annual rate of 28 per cent, reaching $45 million in 1999. Value-added wood product exports rose at an average rate of 9 per cent per year, reaching $10 million in 1999.

Similarly for exports to Japan, sales of value-added products fared better than sales of resource commodities.

Among the declines in British Columbia exports of resource commodities to Japan over the 1990s were a 4 per cent average annual drop for coal exports, an 11 per cent drop for copper concentrate exports, and a 9 per cent drop in exports of fresh and frozen salmon.

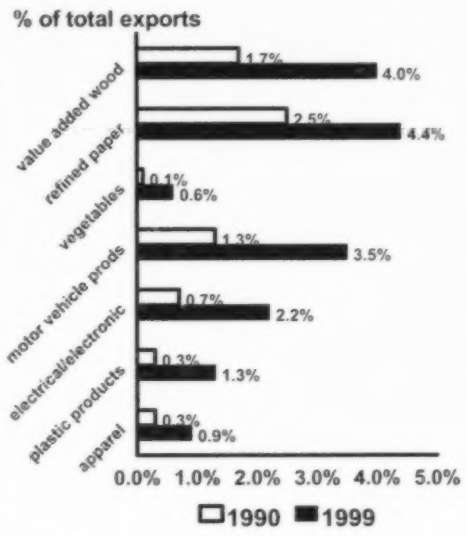
These were balanced out by export gains over the decade such as the 73 per cent average annual export growth for electrical and electronic equipment, and 15 per cent growth for miscellaneous machinery and equipment.

Lumber exports to Japan managed a respectable 8 per cent average annual growth between 1990 and 1999, encouraged somewhat by the elimination of certain trade limiting regulations which had been restricting the access of the Japanese construction industry to North American building products.

The elimination of these restrictions also bolstered British Columbia exports of value-added wood products to Japan. These rose at an average annual rate of 20 per cent between 1990 and 1999. They amounted to $109 million in 1999.

Increases in the value-added component of exports has been perhaps the single most important improvement in British Columbia's international trade during the past decade. While gains in value-added exports to Asia and Europe have been important, by far the most progress has been made in the American market.

Value Added Products Becoming Larger Part of Export Mix



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For example, exports of motor vehicles and parts to the United States rose at an average annual rate of 27 per cent to reach a value of $956 million in 1999. Much of this was in shipments of road tractors for semi-trailers from Western Star Trucks of Kelowna, and wheels from the Toyota facility at Delta.

Electrical and electronic exports to the United States rose at an average annual rate of 21 per cent, reaching levels of $480 million in 1998 and $467 million in 1999.

Similarly high average annual export growth rates were achieved for plastic products (26 per cent) and apparel (23 per cent).

The best export growth rates for products shipped to the United States from the pulp and paper industry were for refined papers – the most important value-added export shipped from this sector. Exports of refined paper grew at an average annual rate of 20 per cent, as compared to rates of 4 per cent for pulp and minus 2 per cent for newsprint.

In the solid wood industry, value-added exports to the United States grew at an average annual rate of 19 per cent, significantly faster than the 13 per cent for lumber exports.

Fresh vegetables products are not traditionally categorised as value-added products. But much or most of the growth in British Columbia vegetable exports to the United States over the 1990s could be reasonably listed under this heading because it is mainly greenhouse grown. The value of these crops is produced by capital investment, ingenuity, and skilled labour more than by the consumption of natural resources. To the small extent that natural resources are used, they are almost entirely of a renewable nature. The land base resource is a relatively minor factor.

Vegetable exports to the United States (including both greenhouse and field grown because separate statistics are not available) expanded from $14 million in 1990 to $147 million in 1999, growing at an average annual rate of 31 per cent.

Industry specialists have estimated that, under favourable commercial conditions, exports of greenhouse vegetables could be expanded much further, so that this industry could someday account for considerably more than its present 1 per cent share of total provincial exports.

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Infoline

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BC at a glance . . .

POPULATION (thousands)	Jan 1/00	% change on one year ago
BC	4,043.7	0.9
Canada	30,606.7	0.9
GDP and INCOME		% change on
(BC - at market prices)	1998	one year ago
Gross Domestic Product (GDP) *($ millions)*	110,948	-0.2
GDP *($ 1992 millions)*	99,708	0.2
GDP *($ 1992 per Capita)*	24,908	-0.8
Personal Disposable Income *($ 1992 per Capita)*	15,969	-1.6
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Apr	3,309	10.3
Merchandise Exports (raw) Apr	2,559	9.0
Retail Sales (seasonally adjusted) Apr	2,928	4.7
CONSUMER PRICE INDEX		% change on
(all items - 1992=100)	Jun '00	one year ago
BC	113.2	1.5
Canada	113.7	2.9
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Jun '00	one year ago
Labour Force - BC	2,092	0.4
Employed - BC	1,952	2.5
Unemployed - BC	141	-21.9
		Jun '99
Unemployment Rate - BC *(percent)*	6.7	8.7
Unemployment Rate - Canada *(percent)*	6.6	7.5
INTEREST RATES (percent)	Jul 12/00	Jul 14/99
Prime Business Rate	7.50	6.25
Conventional Mortgages - 1 year	7.90	6.70
- 5 year	8.25	7.50
US/CANADA EXCHANGE RATE	Jul 12/00	Jul 14/99
(avg. noon spot rate) Cdn $	1.4810	1.4807
US $ *(reciprocal of the closing rate)*	0.6755	0.6754
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Jun '00	one year ago
BC	631.46	1.0
Canada	611.09	2.7

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bank-banque-canada.ca/english/wfsgen.htm

British Columbia High Tech Input Indicators, the 1990's

This companion to the recently released "Profile of the British Columbia High Technology Sector" contains forty-two indicators related to the development of the high technology sector. The indicators track the performance of the education, business, government, labour, and external sectors in supplying trained personnel, financing, information, etc. in support of high technology industries in the province. For the first time, these indicators have been assembled for comparison on a consistent basis across provinces, with Alberta, Ontario, and Quebec featured along with British Columbia in the report. The "Profile" report is available now at the BC Stats web site. "Indicators" will be released June 28th. Go to

http://www.bcstats.gov.bc.ca/DATA/BUS_STAT/hi_tech.htm

[continued]

Released this week by BC STATS

- Labour Force Statistics, June 2000
- Consumer Price Index, June 2000

Next week

- Major Projects Inventory, June 2000 (Issue 00:02)
- Small Business Quarterly, Fourth Quarter 1999
- Exports, May 2000
- Earnings and Employment Trends, June 2000

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